

Message Text

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ACTION EB-11

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SUBJECT: NOTE ON PAN AM SUSPENSION OF SERVICE

REF (A) NASSAU 508; (B) WAUCHOPE/SALISBURY TELECON 3/26

1. AS NOTED IN NASSAU 508 COPY OF NOTE POUCHED ARA/CAR 3/22. SINCE IT HAS NOT YET BEEN RECEIVED, THE OPERATIVE PORTION OF THE NOTE FOLLOWS

2. QUOTE....HAS THE HONOUR TO ADVISE THAT IT HAS COME TO THE ATTENTION OF THE BAHAMAS GOVERNMENT THAT PAN AMERICAN AIRWAYS PROPOSES TO ASK THE UNITED STATES GOVERNMENT FOR A COMPLETE SUSPENSION OF TWO OF THEIR THREE SERVICES BEING THE MIAMI/NASSAU AND NEW YORK/FREEPORT SERVICES FROM APRIL 22ND TO DEC 15TH, 1974, BUT NOT THEIR NEW YORK/ROCK SOUND SERVICE.

3. IT IS UNDERSTOOD THAT PAN AMERICAN PROPOSES TO TAKE THIS ACTION BECAUSE OF THE ADDITIONAL COST OF FUEL FOR THE YEAR 1974. NEEDLESS TO SAY, THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS VIEWS THIS ACTION WITH CONCERN AND WOULD LIKE TO POINT OUT THE ADVERSE EFFECTS THIS PRECIPITIOUS ACTION MAY CAUSE THE BAHAMIAN ECONOMY.

4. IN THE YEAR 1973, THE TOTAL NUMBER OF VISITORS ARRIVING BY PAN AMERICAN AIRWAYS NUMBERED 183,464 PERSONS. THIS TOTAL UNCLASSIFIED

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REPRESENTED APPROXIMATELY 18 PERCENT OF AIR ARRIVALS TO THIS

COUNTRY OF WHOM 112,164 WERE INCOMING PASSENGERS FROM MIAMI TO NASSAU AND FROM NEW YORK TO FREEPORT.

5. SURVEYS CARRIED OUT BY THE MINISTRY OF TOURISM ON A REGULAR BASIS HAVE REVEALED THAT THE AVERAGE LENGTH OF STAY IN THE BAHAMAS OF AN AIR VISITOR IS 6.5 DAYS AND THE AVERAGE DAILY EXPENDITURE OF AN AIR VISITOR IS ESTIMATED TO BE \$42. THUS THE ESTIMATED SUM SPENT IN THE BAHAMAS BY AIR VISITORS ARRIVING BY PAN AMERICAN IN 1973 MAY BE CALCULATED TO BE \$50,085,672. THE BAHAMAS MINISTRY OF TOURISM ESTIMATES THE TOTAL DOLLAR TOURIST EXPENDITURE IN 1973 TO BE \$270,000,000 APPROXIMATELY.

6. IT CAN BE SEEN, THEREFORE, THAT PAN AMERICAN INDIRECTLY CONTRIBUTES A SIGNIFICANT SUM TO THE OVERALL INCOME OF THE BAHAMIAN TOURIST ECONOMY. USING THE AFOREMENTIONED FIGURES IT CAN BE CALCULATED THAT PAN AMERICAN CONTRIBUTES SOMEWHERE BETWEEN 18 AND 19 PER CENT TO THE ESTIMATED TOTAL TOURIST EXPENDITURE IN THE BAHAMAS.

7. IT SHOULD BE BORNE IN MIND THAT THE CRITERIA OF THE MINISTRY OF TOURISM USED IN OUR ESTIMATES OF MONIES SPENT PER DIEM BY AN AIR VISITOR IS AN OVERALL AVERAGE (CHARTER FLIGHTS INCLUDED) AND MAY NOT TRULY REFLECT THE MONIES SPENT BY AIR VISITORS ARRIVING VIA PAN AMERICAN AIRWAYS AND OTHER SCHEDULED AIRLINES WHICH BRINGS INTO THE BAHAMAS PERSONS WHO WOULD ALSO SPEND MORE MONEY THAN CHARTER PASSENGERS.

8. THE GOVERNMENT OF THE COMMONWEALTH OF THE BAHAMAS IS, THEREFORE, CONCERNED ABOUT THE PROPOSED TOTAL ELIMINATION OF CERTAIN FLIGHTS BY PAN AMERICAN TO THE BAHAMAS BEING THE EXCLUSION OF THE SCHEDULED SERVICE FROM NEW YORK TO FREEPORT AND MIAMI TO NASSAU ALTOGETHER AND WISHES TO HAVE THIS CONCERN EXPRESSED TO THE UNITED STATES STATE DEPARTMENT SO THAT THE CIVIL AUERONAUTICS BOARD MAY BE APPRAISED OF THE NEED FOR PAN AMERICAN TO CONTINUE ITS SERVICES TO THE BAHAMAS. MOREOVER, IT SHOULD BE STRESSED TO THE CAB THAT A DECISION IN THE AFFIRMATIVE TO PAN AMS REQUEST FOR FURTHER REDUCTIONS OF SCHEDULED FLIGHTS TO THE BAHAMAS WOULD HAVE AN ADVERSE EFFECT ON THE BAHAMIAN ECONOMY. END QUOTE
RIDGWAY

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